

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re: : **Chapter 11**
:
SEARS HOLDINGS CORPORATION, et al., : **Case No. 18-23538 (RDD)**
:
Debtors.¹ : **(Jointly Administered)**
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**THIRD MONTHLY FEE STATEMENT OF
EVERCORE GROUP L.L.C. FOR COMPENSATION EARNED AND
EXPENSES INCURRED FOR APRIL 15, 2019 THROUGH MAY 14, 2019**

Name of Applicant: Evercore Group L.L.C.

Authorized to Provide Professional Services to: Debtors and Debtors in Possession

Date of Retention: December 7, 2018, *nunc pro tunc* to
October 15, 2018

Period for which compensation and
reimbursement is sought: April 15, 2019 through May 14, 2019

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); SHC Licensed Business LLC (3718); SHC Promotions LLC (9626); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

Monthly Fees Incurred:	\$100,000.00 ² (For the Third Monthly Fee Period, Evercore has voluntarily reduced its monthly fee from \$200,000.00 to \$100,000.00)
20% Holdback	\$20,000.00
Total Compensation Less 20% Holdback	\$80,000.00
Monthly Expenses Incurred:	\$0.00
Total Fees and Expenses Due:	\$80,000.00

This is a: X monthly interim final application

In accordance with the *Order Authorizing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [ECF No. 796] (the “Interim Compensation Order”) ³, Evercore Group L.L.C. (“Evercore”) hereby submits this third monthly fee statement (the “Third Monthly Fee Statement”), seeking compensation for services rendered as financial advisor to the Debtors, for the period April 15, 2019 through May 14, 2019 (the “Third Monthly Fee Period”). By this Third Monthly Fee Statement, Evercore seeks payment in the amount of \$80,000.00, which represents eighty percent (80%) of the total amount of compensation sought for actual and necessary services rendered during the Third Monthly Fee Period.

Nothing contained herein shall constitute a waiver of Evercore’s rights with respect to the interim and final fee applications to be filed in these cases, and Evercore reserves all rights with respect to such interim and final fee applications.

² Given its current workload, Evercore has voluntarily reduced its monthly fee from \$200,000.00 to \$100,000.00 for the Third Monthly Fee Period. Total fees paid / payable to Evercore through May 14, 2019, aggregate to \$1,300,000.00, which is the minimum fee due to Evercore under clause 6(c) of the *Modified Order Authorizing the Retention and Employment of Evercore Group L.L.C. as Financial Advisor for the Debtors Nunc Pro Tunc to the Petition Date* [ECF No. 1089]. Evercore reserves the right to increase its monthly fee back to \$200,000.00 in the future.

³ Capitalized terms used herein but not otherwise defined herein have the meanings ascribed to them in the Interim Compensation Order.

Services Rendered

Attached are the following schedules in support of this Third Monthly Fee Statement:

- Schedule A: Details of Hours Expended

Notice and Objection Procedures

Notice of this Third Monthly Fee Statement shall be given by hand or overnight delivery or email where available upon (i) Sears Holdings Corporation, 3333 Beverly Road, Hoffman Estates, Illinois 60179, Attention: Rob Riecker (email: Rob.Riecker@searshc.com) and Luke Valentino (email: Luke.Valentino@searshc.com); (ii) counsel to the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attention: Ray C. Schrock (email: ray.schrock@weil.com), Jacqueline Marcus (email: jacqueline.marcus@weil.com), Garrett A. Fail (email: garrett.fail@weil.com), and Sunny Singh (email: sunny.singh@weil.com); (iii) William K. Harrington, the United States Trustee, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, NY 10014, Attention: Paul Schwartzberg (e-mail: paul.schwartzberg@usdoj.gov) and Richard Morrissey (e-mail: richard.morrissey@usdoj.gov); (iv) Paul E. Harner, Ballard Spahr LLP, the independent fee examiner, 1675 Broadway 19th Floor, New York, NY 10019 (email: harnerp@ballardspahr.com); (v) counsel to the Official Committee of Unsecured Creditors, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York, 10036, Attention: Philip C. Dublin (email: pdublin@akingump.com), Ira Dizengoff (email: idizengoff@akingump.com), and Sara Lynne Brauner (email: sbrauner@akingump.com); and (vi) counsel to Bank of America, N.A., Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, NY 10036, Attention: Paul D. Leake (email: paul.leake@skadden.com), Shana A. Elberg (email: shana.elberg@skadden.com) and George R. Howard (email: george.howard@skadden.com) (collectively, the “Notice Parties”).

Objections to this Third Monthly Fee Statement, if any, must be filed with the Court and served upon the Notice Parties so as to be received no later than **July 10, 2019** (the “Objection Deadline”), setting forth the nature of the objection and the amount of fees or expenses at issue (an “Objection”).

If no objections to this Third Monthly Fee Statement are filed and served as set forth above, the Debtors shall promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the expenses identified herein.

If an objection to this Third Monthly Fee Statement is received on or before the Objection Deadline, the Debtors shall withhold payment of that portion of Third Monthly Fee Statement to which the objection is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth above. To the extent such an objection is not resolved, it shall be preserved and scheduled for consideration at the next interim fee application hearing to be heard by the Court.

SUMMARY OF TIME SPENT BY EVERCORE PROFESSIONALS
FROM APRIL 15, 2019 - MAY 14, 2019

Name of Professional	Title	Total Hours
Daniel Aronson	Senior Managing Director	2.5
Jeremy Matican	Managing Director	8.0
Siddhesh Patkar	Associate	10.5
Jonathan Kamel	Analyst	26.0
Ajith Sukumar	Analyst	11.0
Total		58.0

SUMMARY OF SERVICES RENDERED BY EVERCORE PROFESSIONALS
FROM APRIL 15, 2019 - MAY 14, 2019

Category	Project Description	Total Hours
1	General Case Administration	0.0
2	Asset Transfers	0.0
3	Financing Transactions	0.0
4	Valuation	0.0
5	Sale Transaction	0.0
6	Plan of Reorganization	0.0
7	Board communication	0.0
8	Court testimony and litigation support	40.0
9	Hearings and Court Matters	6.0
10	Travel	0.0
11	Evercore Retention	0.0
12	Fee Application	12.0
Total		58.0

Dated: June 25, 2019



Daniel Aronson
Senior Managing Director
Evercore Group L.L.C.

SCHEDULE A

DETAILS OF HOURS EXPENDED

Daniel Aronson, Senior Managing Director			
Date	Work Done	Hour	Code
4/17/2019	Review of PW Litigation Complaint	1.0	Court testimony and litigation support
4/25/2019	Review of Interim Fee Application	0.5	Fee Application
5/3/2019	Internal call regarding experts re:litigation	0.5	Court testimony and litigation support
5/13/2019	Internal discussion regarding experts re:litigation	0.5	Court testimony and litigation support
		2.5	

Jeremy Matican, Managing Director			
Date	Work Done	Hour	Code
4/16/2019	Work session re: PW Litigation Complaint	3.5	Court testimony and litigation support
4/17/2019	Work session re: PW Litigation Complaint	2.5	Court testimony and litigation support
4/25/2019	Review of Interim Fee Application	0.5	Fee Application
5/3/2019	Internal call regarding experts re:litigation	0.5	Court testimony and litigation support
5/13/2019	Internal discussion regarding experts re:litigation	1.0	Court testimony and litigation support
		8.0	

Sid Patkar, Associate			
Date	Work Done	Hour	Code
4/24/2019	Preparation and Review of Interim Fee Application	2.0	Fee Application
4/25/2019	Preparation and Review of Interim Fee Application	2.0	Fee Application
5/2/2019	Internal discussion regarding experts re:litigation	0.5	Court testimony and litigation support
5/3/2019	Internal call regarding experts re:litigation	0.5	Court testimony and litigation support
5/3/2019	Follow-up Analysis to PW Litigation Complaint	0.5	Court testimony and litigation support
5/6/2019	Review of UCC Comments to PW Litigation Complaint	1.0	Court testimony and litigation support
5/13/2019	Research regarding potential experts re:litigation	3.0	Court testimony and litigation support
5/13/2019	Internal discussion regarding experts re:litigation	1.0	Court testimony and litigation support
		10.5	

Jonathan Kamel, Analyst			
Date	Work Done	Hour	Code
4/16/2019	Review of PW Litigation Complaint	5.0	Court testimony and litigation support
4/17/2019	Review of PW Litigation Complaint	6.0	Court testimony and litigation support
4/18/2019	Audio Attendance of Sears Omnibus Hearing	3.0	Hearings and Court Matters
4/23/2019	Preparation of Evercore Monthly Fee Statement	1.0	Fee Application
4/25/2019	Preparation of Evercore Monthly Fee Statement	1.0	Fee Application
5/2/2019	Discussion with PW Litigation re: Complaint Next Steps	1.0	Court testimony and litigation support
5/2/2019	Internal Discussion re: Complaint Next Steps	1.0	Court testimony and litigation support
5/2/2019	Internal discussion regarding experts re: litigation	0.5	Court testimony and litigation support
5/3/2019	Internal call regarding experts re: litigation	0.5	Court testimony and litigation support
5/3/2019	Follow-up Analysis to PW Litigation Complaint	2.0	Court testimony and litigation support
5/6/2019	Review of UCC Comments to PW Litigation Complaint	4.0	Court testimony and litigation support
5/13/2019	Internal discussion regarding experts re: litigation	1.0	Court testimony and litigation support
		26.0	

Ajith Sukumar, Analyst			
Date	Work Done	Hour	Code
4/18/2019	Audio Attendance of Sears Omnibus Hearing	3.0	Hearings and Court Matters
4/23/2019	Preparation of Evercore Monthly Fee Statement	3.0	Fee Application
4/25/2019	Preparation of Evercore Monthly Fee Statement	2.0	Fee Application
5/2/2019	Internal Discussion re: Complaint Next Steps	1.0	Court testimony and litigation support
5/2/2019	Internal discussion regarding experts re:litigation	0.5	Court testimony and litigation support
5/3/2019	Internal call regarding experts re:litigation	0.5	Court testimony and litigation support
5/13/2019	Internal discussion regarding experts re:litigation	1.0	Court testimony and litigation support
		11.0	